

Message Text

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ACTION SS-25

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FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC IMMEDIATE 5034

C O N F I D E N T I A L SANTIAGO 6651

EXDIS

E. O. 11652: GDS

TAGS: MASS, CI

SUBJECT: MILITARY CREDIT AND SALES TO CHILE

REF: RYAN-POPPER TELCON OCT 2

1. SUMMARY: GOC WILL REGARD DECISION TO EXCLUDE CHILE FROM FMS CREDIT AS SIGNIFICANT POLICY SHIFT. REQUEST URGENT APPROVAL FOR PROPOSED TALKING POINTS TO BE USED WITH GOC AND QUICK ACTION ON SALES PACKAGE. END SUMMARY.

2. I UNDERSTAND THAT AMB TRUCCO WAS INFORMED YESTERDAY OF OUR DECISION NOT TO INCLUDE ANY PROPOSAL FOR FMS CREDIT FOR CHILE IN CONGRESSIONAL PRESENTATION DOCUMENT FOR NEW MILITARY ASSISTANCE LEGISLATION.

3. I QUITE UNDERSTAND BROAD SUBSTANTIVE AND PROCEDURAL CONSIDERATIONS WHICH HAVE LED DEPT TO TAKE THIS DECISION. AT SAME TIME, WOULD POINT OUT THAT FROM LOCAL STANDPOINT HERE, THERE WOULD HAVE BEEN ADVANTAGE IN CONTINUING EXECUTIVE BRANCH ADVOCACY OF A FMS CREDIT ALLOCATION FOR THIS COUNTRY ON A PAR WITH WHAT IS AVAILABLE TO PERU.

4. AS WE HAVE OFTEN SAID, WE DO NOT REGARD SUCH A CREDIT AS SOMETHING WHICH WOULD MATERIALLY HELP THE JUNTA TO FURTHER ITS DOMESTIC OBJECTIVES. THE WEAPONS PACKAGE IN WHICH IT IS INTERESTED IS NOT DESIGNED FOR INTERNAL SECURITY PURPOSES. THE JUNTA HAS WHAT IT NEEDS IN THAT AREA.

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5. WHAT THE GOC STRONGLY DESIRES IS THE UHEREWITHAL TO POSE SOME MINIMAL DETERRENT CAPABILITY AGAINST THE OVERWHELMING MATERIEL SUPERIORITY OF PERU. IN THIS RESPECT, THE GOC INTEREST PARALLELS OUR OWN INTEREST IN HEMISPHERE STABILITY. WHILE RELATIONS BETWEEN CHILE AND PERU ARE FOR THE MOMENT GOOD, THE TINDER HAS NOT BEEN REMOVED FROM THE BASIC CONFRONTATIONAL SITUATION. AN EVEN-HANDED EXTENSION OF IDENTICAL CREDITS TO BOTH COUNTRIES WOULD HAVE A RESTRAINING EFFECT. WE BELIEVE IT WOULD HAVE BEEN WORTH WHILE FOR US TO HAVE CONTINUED IN SOME WAY TO REFLECT THIS VIEW, IN APPROACHING CONGRESS. CAN THIS STILL BE DONE?

6. AS SEEN FROM HERE, THERE IS SOME DANGER THAT EXECUTIVE BRANCH DECISION MAY TOUGHEN RATHER THAN SOFTEN GOC REACTION TO OUR STRICTURES ON HUMAN RIGHTS, AND DIMINISH RATHER THAN INCREASE OUR INFLUENCE IN SANTIAGO. IT WILL APPEAR TO THE GOC THAT EXECUTIVE BRANCH HAS SUBSTANTIALLY CHANGED ITS POLICY TOWARD CHILE.

7. IT IS IMPORTANT THAT WE GIVE CHILEANS IN SANTIAGO BEST POSSIBLE EXPLANATION OF OUR NEW POSITION AT EARLIEST MOMENT, IN ATTEMPT FORESTALL OR DIMINISH POSSIBLY UNFORTUNATE OFFICIAL AND PUBLIC REACTION. IN THIS CONNECT, WE AWAIT REPORT OF CONVERSATION WITH AMB TRUCCO. PUBLICLY, WE THINK IT BEST TO REFER ALL INQUIRIES TO WASHINGTON. PRIVATELY, I INTEND UNLESS YOU OBJECT TO PRESENT CASE AT HIGHEST FONOFF LEVEL ALONG FOLLOWING LINES. WOULD WELCOME YOUR OBSERVATIONS.

8. BEGIN TALKING POINTS. GOC IS WELL AWARE OF DIFFICULTIES WE HAVE HAD IN MAINTAINING CURRENT LEVELS OF ASSISTANCE TO IT, IN LIGHT OF REACTION OF US PUBLIC AND CONGRESSIONAL OPINION TO GOC HUMAN RIGHTS PRACTICES. TO OUR REGRET, WE HAVE HAD TO CONCLUDE TAT SITUATION IN THIS REGARD HAS NOT IMPROVED APPRECIABLY IN RECENT MONTHS. AS CONGRESS MOVES TOWARD DECISIONS ON ECONOMIC AND MILITARY AID FOR FY 1976, THE ADMINISTARATION HAS HAD TO CONSIDER HOW BEST TO PROCEED IN ORDER TO OBTAIN MOST ADVANTAGEOUS DEAL FOR CHILE. GIVEN CURRENT ATMOSPHERE IN WASHINGTON, MISCALCULATION COULD RESULT IN COMPLETE AID CUTOFF.

9. AFTERN LENGTHY DISCUSSION, AND SOUNDINGS IN CONGRESS, WASHINGTON AGENCIES HAVE DECIDED THAT ATTEMPT TO OBTAIN FMS CREDIT FROM CONFIDENTIAL

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CONGRESS WOULD FAIL. WHAT IS MORE, AND EMOTIONAL CONTROVERSY OVER REQUEST FOR SUCH CREDIT COULD JEOPARDIZE CASH PACKAGE OF MOST ESSENTIAL DEFENSIVE ARMAMENT, MENTIONED BY SECRETARY TO FONMIN CARVAJAL SEPT 29. WE ARE MOVING AHEAD AS QUICKLY AS WE CAN ON THIS PACKAGE, AND HOPE TO GIVE GOC FURTHER DETAILS IN NEAR FUTURE. WE THINK IT IS GOC'S FIRST PRIORITY REQUIREMENT FROM US ON THE MINITARY SIDE.

10. BUT EFFECTS OF PRESSING UNSUCCESSFULLY FOR FMS CREDIT WOULD NOT STOP THERE. WHILE CONGRESS IS THIS YEAR DECIDING ON ITS ECONOMIC ASSISTANCE PROGRAM IN A DIFFERENT BILL, THE SAME CONGRESSIONAL ATTITUDES COLOR BOTH SIDES OF THE AID PICTURE. IT IS ALREADY CLEAR THAT SOME KIND OF RESTRICTIVE PROVISION WILL BE INCLUDED IN THE ECONOMIC ASSISTANCE ACT COVERING COUNTRIES DEEMED TO HAVE ENGAGED IN HUMAN RIGHTS ABUSES.

11. THE ADMINISTRATION WILL DO ALL IT CAN TO RETAIN GREATEST POSSIBLE DEGREE OF FLEXIBILITY IN SUCH LEGISLATION, BUT ULTIMATE DECISION RESTS WITH CONGRESS. THERE ARE VOICES CALLING FOR MANDATORY CUTOFF OF ALL HELP FOR CHILE -- THE AID PROGRAM, PL 480 WHEAT, HOUSING GUARANTEES, ACTION IN IFI'S, ETC. IN THESE CIRCUMSTANCES, TO PRESS FOR MILITARY CREDIT COULD ONLY INTENSIFY THE ADMINISTRATIONS'S DIFFICULTIES. END TALKING POINTS FOR CHILEANS.

12. HOWEVER THE CASE IS PUT, THE MILITARY SALES PACKAGE MENTIONED BY THE SECRETARY WILL ASSUME EVEN GREATER IMPORTANCE IN GOC EYES. I MAKE STRONGEST PLEA TO AGENCIES CONCERNED TO CUT THROUGH BUREAUCRATIC DIFFICULTIES THAT HAVE HELD SUCH A PACKAGE UP FOR A FULL YEAR AND COME FORWARD SOONEST WITH A DEFINITE PROPOSAL. US GOOD FAITH IS AT STAKE. WITHOUT THAT, OUR ABILITY TO STEM A DETERIORATION IN BILATERAL RELATIONS WILL BE SADLY DIMINISHED.

13. THE BLOW FOR THE CHILEANS WOULD BE SOFTENED SOMEWHAT IF WE COULD TELL THEM THAT THERE STILL REMAINS THE POSSIBILITY OF TRAINING ASSISTANCE, WHETHER BY GRANT OR PURCHASE. PLEASE ADVISE URGENTLY RE STATUS OF TRAINING AUTHORIZATION.

14. I WOULD APPRECIATE WORD FROM DEPT SOONEST SO I CAN SEEK APPOINTMENT WITH ACTING FONMIN IF POSSIBLE TODAY.

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15. DATT AND MILGP CONCUR AND REQUEST THIS CABLE BE PASSED TO DOD AND USCINCSO.
POPPER

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